



G. N. Kuruc, Jr.  
400 Raritan Center Parkway  
Raritan Center  
Edison, NJ 08837  
Phone 732-225-4774  
Fax 732-417-9076

January 22, 1998

To: M. A. Young

RE: Monthly Status Report- January 1998

I. Full Priced Brands

A. Volume and Share Trends (year end results)

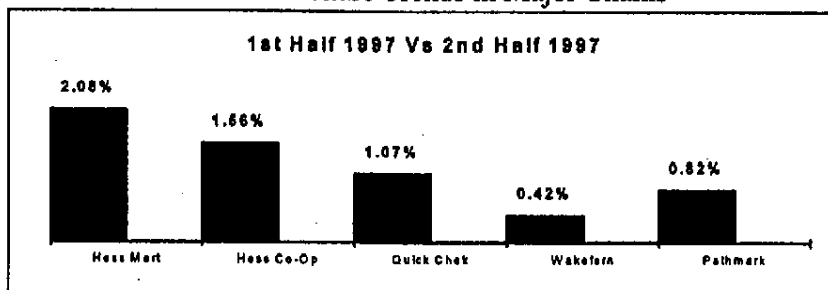
Direct Chain	Volume Trend	Share Trend (AIM)
Wakefern Food Corporation	- 12.2 (- 1,611 cs)	+ .4%
Plainbridge, Inc.	- 14.26% (-783 cs.)	+ .9%
Grand Union Company	- 20.3% (776 cs.)	n/a

B. New Brands

Nothing to report.

C. Observations and Recommendations

Full Price Share Trends in Major Chains



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## II. Branded Savings

### A. Volume and Share Trends (year end results)

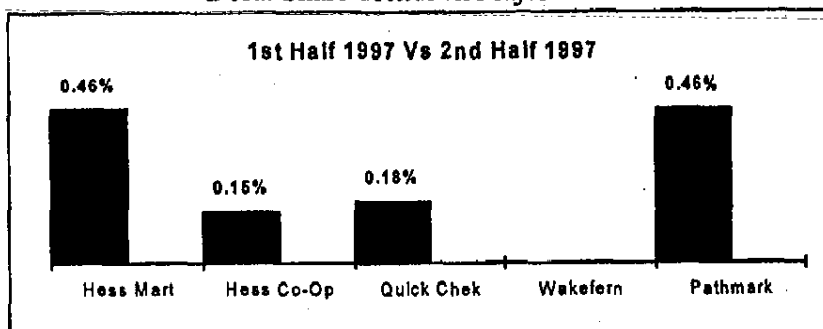
Direct Chain	Volume Trend	Share Trend (AIM)
Wakefern Food Corporation	- 19.3% (-551 cs)	- 1.2%
Plainbridge, Inc.	- 13.2% (- 82 cs)	+ 4.1%
Grand Union Company	- 64.7% (-64 cs)	n/a

### B. New Brands

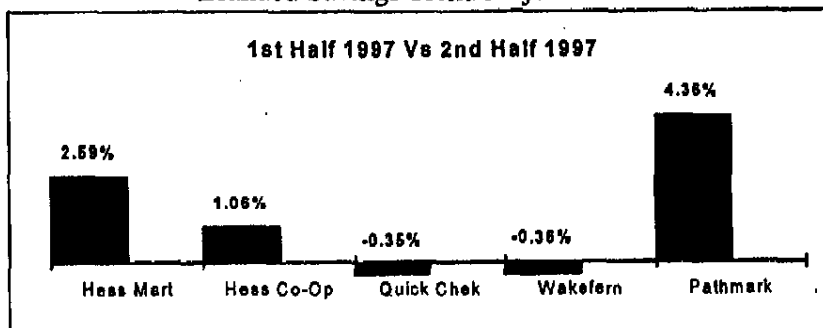
Doral 100's Box Wakefern Food, and Plainbridge are in the process of "setting up" FF 100's and Light 100's Box for addition to distribution. Quick Chek has approved both styles, and added order numbers to the order book. Numbers have been communicated to Retail Reps. Amerada Hess has both styles in distribution.

### C. Observations and Recommendations

Doral Share Trends In Major Chains



Branded Savings Trend Major Chains



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### III. Private Label

Brand/Chain	Cartons Shipped 1996	Cartons Shipped 1997	Variance
Signature (Hess)	100,926	360,068	+ 259,142 (+256.7%)
Courier (Quick Chek)	54,323	41,693	- 12,630 (-23.2%)
Worth (Wakefern)	27,002	22,458	- 4,544 (-16.8%)

### IV. Merchandising

Amerada Hess Corporation This chain now had four (4) CTS Locations in operation. The stores are located in Bethlehem, PA, Ramsey, NJ, Elmira Heights, NY, and Fairmount NY. The "Industry Approach" is being employed in all but the Ramsey Location. The decision to add the Industry Approach to the Ramsey Locations has been postponed until mid year. Philip Morris has agreed to promote at a higher level until that time. New locations are scheduled for Clewiston, FLA, and Allentown, PA by March.

Retail Partners payments have been increased for Hess Marts and Co-Op's for 1998. Payments were increased one level due to RJR volume increases. Hess's Pick Kwik operation payments will remain at their current level throughout 1998.

Quick Chek Food Stores A planned trip to Winston-Salem for January 22 for Phil Baseil and Bob Page, was postponed until March 6 due to an illness in Page's family. In a recent meeting with Baseil, I learned that BAT has committed to promoting Kool ongoing throughout the 1st half of this year. They have also committed to funding 30 Kool/GPC/Quick Chek Billboards at a cost of \$500 per board/per month for a 3 month period. Phil has inquired about RJR participation in the 2nd half of this year.

I have also analyzed results from the PM 10 store Exclusive Test which began last June. The volume gain that the Chain experienced during the year was matched for the most part by both the test and control stores. However, it appears that Philip Morris doubled the number of promotions it sent to the test stores vs promotions sent to the control stores. I will be making a formal presentation of all results to Phil Baseil in early February.

Pathmark Stores, Inc. This Chain is in the process of developing new planograms for its carton merchandisers. I will be meeting with Category Manager, Jim Shanley on Monday, January 26 to review our Level I Contract. If the Chain requests that our row exposure be reduced to match share (RJR is currently 15.3%), my recommendation is that we "walk away". For the year we ended "dead even" in total share vs. year end 1996.

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Wakefern Food Corporation Despite a shaky start to business at the beginning of 1997, it appears that our share has stabilized in this major food co-op. We ended 1996 at 22.3%, fell to 21.3% for 1st Quarter and ended 1997 at 21.4%. In the early part of the year a large number of stores removed package merchandisers from self-service due to the FDA "scare" prompted by the letter sent to stores during the 1st Quarter. The majority of stores now have workable non self-service pack setups which have helped to stabilize business.

Foodarama Supermarkets This Chain will open its newest store in East Windsor, as replacement for its Hightstown Store. The new store will be 60,000 square feet and feature 24' of NSS cartons with packs sold from the customer service center. A new store is scheduled to be built in Boundbrook in mid summer.

Shop Rite Supermarkets SRS is currently doubling the size of its Richmond Avenue store to 60,000 square feet. The renovation will be completed in early Spring.

Village Supermarkets Nothing to report this month.

A&P NY Metro (Super Fresh) In a meeting with Dennis Hickey, VP Grocery Merchandising earlier this month, I stated our position regarding the sale of carton merchandisers to 30 Super Fresh Locations. The Chain would not sign a 3 year agreement which would protect our space, position, and advertising. With the Chain's refusal to sign an agreement I ended all discussion. I have since been informed that Super Fresh plans to build its own merchandisers.

#### IV. Miscellaneous

- > 1/20: Worked with Retail Rep. Nicole Parker (Foodarama, E. Windsor setup)
- > 1/22: Worked with AM L. T. Wolfe
- > 1/27: Worked with AM A. E. Evanchik
- > Completed Performance Evaluations for AM's Wolfe and Evanchik
- > Confirmed participation in 1st Half "Adopt A Rep" Program (Retail Rep Debbie DeLuccia)

*G. N. Kuruc, Jr.*

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